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CORRESPONDENT BANKING — TABLES BEGIN ON P.12

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VOL. CLIV NO. 231 Tuesday, November 28, 1989 154th Year

A Magic Number From Fed Brings Accord on Capital

By BARBARA A. REHM

NEWS ANALYSIS

WASHINGTON – Federal Reserve Board Chairman Alan Greenspan initially tried to get Comptroller of the Currency Robert L. Clarke and Federal Deposit Insurance Corp. Chairman L. William Seidman to end a bitter battle over capital rules by proposing that banks maintain equity capital equal to at least 4% of assets. That effort failed. Mr. Clarke stuck by his 3% common-equity standard, and Mr. Seidman held fast to his 6% mixed-capital ratio.

But now the Fed has come up with a solution worthy of Solomon – a compromise that enables both sides to argue that the central bank has sided with them.

Both Mr. Clarke and Mr. Seidman have accepted the Fed's proposal, floated last week, to set minimum equity-capital levels for well-run banks at 3% of total assets.

Ironically, what they have agreed to is not much different than Mr. Green-

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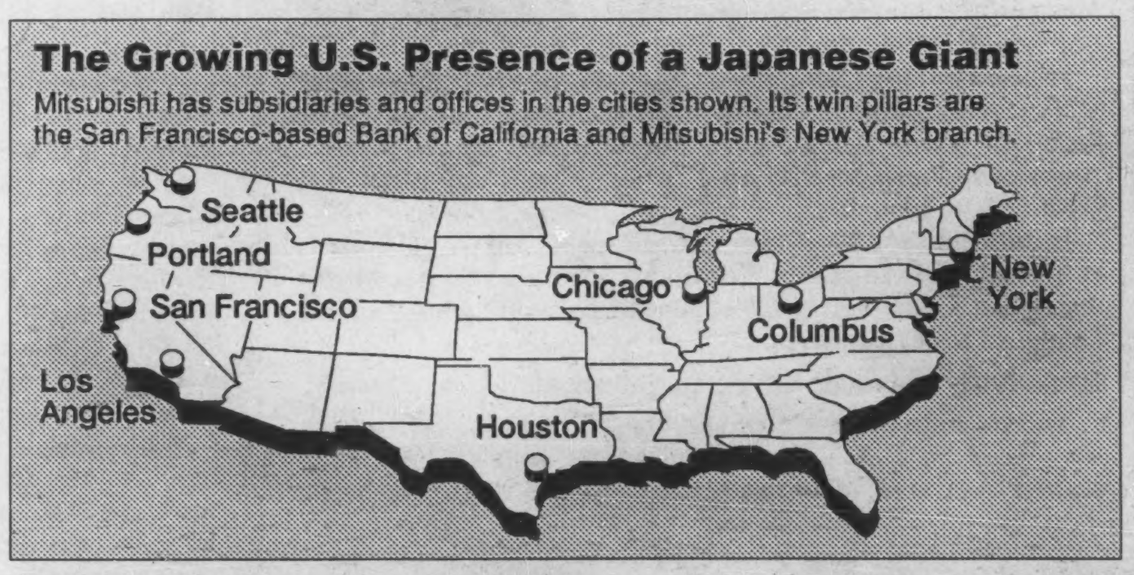
The Growing U.S. Presence of a Japanese Giant
Mitsubishi has subsidiaries and offices in the cities shown. Its twin pillars are the San Francisco-based Bank of California and Mitsubishi's New York branch.
Seattle
Portland
San Francisco
Los Angeles
Chicago
Columbus
New York
Houston

Mitsubishi Builds U.S. Network

By JAMES R. KRAUS

NEW YORK — Among Japanese banks, Mitsubishi Bank is only the fifth largest. But in the U.S., where Japanese banks are planting deeper and deeper roots, Mitsubishi is already ahead of the pack.

Mitsubishi has quietly put together a coast-to-coast U.S. banking network offering both consumer and corporate finance.

"Our most important market outside Japan is the United States," Hisaya Nara, a deputy president of Mitsubishi in Tokyo, said in an interview.

In two moves that indicated the bank's growing U.S. presence, Mitsubishi this year set up a North American headquarters in New York and became the first Japanese bank to list its shares on the New York Stock Exchange.

To further expand its U.S. business, Mitsubishi is actively recruiting experts in specialized areas of finance.

The bank is also planning to open branches, most likely in Atlanta and Midwestern states, to serve Japanese corporate customers and expand lending to large local corporations.

Mitsubishi's expansion in the United States comes as deregulation is just getting under way in Japan. The bank hopes to gain experience in deregulated markets here that can be applied at

See MITSUBISHI: Page 25 ▸

Fed Pressure Dims Prospect Of Cut in Prime

Central Bank Pushes Up Rate for Federal Funds

By ROBERT TRIGAUX

WASHINGTON — Widespread expectations of a cut in the prime rate were dashed Monday after the Federal Reserve Board moved to tighten credit.

The Fed drained reserves from the banking system, with the effect of bumping the borrowing rate for excess reserves, known as federal funds, up to 8.44% by midday. The rate averaged 8.30% on Friday. Fed watchers had cited since Wednesday signs of loosening by the central bank and had widely predicted a resulting drop in the prime by half a percentage point to 10%.

"There's been a lot of confusion about what the Fed has been up to since last Wednesday," said Ward McCarthy of Stone & McCarthy, economic advisers in Princeton, N.J. "Today, the Fed seems to have put the kibosh on interpretations it is using monetary policy to reduce rates. Therefore, there seems no immediate cause for banks to cut the prime."

But economists still expect a gradual slide in interest rates – at least through the first quarter of 1990 – though they say banks will continue to delay cutting the prime for as long as possible.

"It's pretty typical of a declining interest rate environment for banks to be slow on the draw to adjust to market rates," said one West Coast bank economist. "Banks want to have margins widen out, in part because the economy is slowing," he said.

"Regulators are leaning on banks to try and spruce up their capital adequacy," added Mr. McCarthy. One way to

See PRESSURE: Page 25 ▸

Rising Rates Drive Down Correspondent Balances by 10.5%

By L. MICHAEL CACACE

NEW YORK – Rising short-term interest rates in the year ended June 30 prompted a sharp drop in correspondent balances at the nation's largest commercial banks, according to an *American Banker* survey.

The balances, which are left on deposit to pay for operating services, declined by 10.5%, to $36.3 billion, in the 12 months ending at midyear 1989. The drop was much steeper than the 2% and 1.7% declines, respectively, in the two preceding years.

The survey also found that correspondent deposits made by domestic banks, which comprise 73% of the total, decreased at roughly the same rate as the deposits of foreign banks. The *American Banker's* 27th annual study of correspondent balances surveyed the 229 banks with $25 million or more in demand deposits due other banking companies on June 30.

Correspondent banks provide a variety of operating services to smaller institutions, called respondent banks. These services include check collection, federal funds trading, wire transfers, securities safekeeping, coupon collection, and commercial letters of credit.

Respondent banks pay for these services by maintaining demand deposits

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Today

The movement to bar insured lending institutions from selling their own securities got a boost. ____ 2

A coalition of 26 community groups asked regulators to block Wells Fargo's acquisition of Central Pacific Corp. on community reinvestment grounds. 2

Deutsche Bank agreed to acquire Morgan Grenfell Group, the British merchant bank, for about $1.5 billion. 2

Nyce and Mac remain the two largest ATM networks, but the California-based Star System is closing fast, according to *Bank Network News.* ____ 3

Chemical Banking Corp. said it had signed a three-year contract with AT&T to provide a unified data-communications network. ____ 2

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Nyce and Mac Lead in ATMs, but Survey Shows Star System Is Rising

By YVETTE D. KANTROW

NEW YORK — Nyce and Mac remain the two largest automated teller machine networks, but the California-based Star System is in third place and closing fast, according to the latest ranking of regional networks published by *Bank Network News*.

The New York Cash Exchange handled 54.6 million transactions in September, when *Bank Network News* took its annual snapshot of the electronic banking industry. It was 26% bigger than its closest rival, CoreStates Financial Corp.'s Mac system, which had a monthly volume of 43.4 million.

The study by the Chicago-based newsletter also showed that Bank of America, which long owned more automated teller machines than any other bank, fell behind Citicorp and Security Pacific National Bank this year. Citicorp led the list with 1,600 machines, followed by Security Pacific, with 1,557 and Bank of America, with 1,552.

Nyce and Mac, whose volumes grew over the past year by 35% and 39% respectively, had a comfortable lead over third-place Star, which registered 34.2 million transactions. But thanks to a deal with Bank of America, Star is poised to leapfrog Mac and claim the No. 2 spot in the country, a relatively short distance from No. 1 Nyce.

Biggest ATM Owners

	No. of machines	Transactions per ATM per month
Citicorp	1,600	5,625
Security Pacific	1,557	5,780
Bank of America	1,552	10,953
First Interstate	1,340	8,208
Wells Fargo	1,262	8,320

Source: *Bank Network News*

The Top 10 Electronic Banking Systems

Monthly volume, in millions of transactions

Network	Home state	No. of ATMs	1989 volume	1988 volume	Annual growth
1. Nyce	New York	8,466	54.7	40.5	35%
2. Mac	Pennsylvania	6,652	43.4	31.2	39
3. Star	California	6,995	34.2	28.3	21
4. Most	Virginia	3,970	29.3	19.1	53
5. Pulse	Texas	4,849	28.9	24.0	20
6. Honor	Florida	2,888	16.7	13.5	23
7. Exchange	Washington	2,565	16.2	12.3	31
8. Relay	North Carolina	2,739	16.0	13.4	20
9. Yankee24	Connecticut	3,535	16.0	15.2	5
10. Network One	Michigan	2,293	13.0	12.0	8

Source: *Bank Network News*, September data

Bank of America Boosts Star

In 1988, Bank of America agreed to bring most of its ATMs into Star. If those machines were on-line, San Diego-based Star System Inc. would have handled about 50 million transactions in September – only 4.3 million less than Nyce.

Despite Star's growth potential and Nyce's consistent performance, the Mac network is, and most likely will remain, the national leader in switched transactions – those that flow between participating financial institutions. In September, Mac's central switch handled 41.8 million transactions – nearly four times the 10.5 million transactions switched by BayBanks Inc.'s XPress24, its closest rival switch. Mac's switch volume grew 89% in a year, making it the fastest-growing switch operator in the nation.

The Mpact network, a Texas-based system owned by Electronic Data Systems Corp., has the third most active switch at 9.9 million monthly transactions.

Switch volume is considered a key measure of shared networks' performance, since the networks are compensated for these transactions with interchange fees. Mac is one of the few networks that collects switch fees on almost all its transactions.

"If we add Bank of America's proprietary transactions to ours, it will make our volume very high," said Rita Champ, vice president in charge of marketing at Star System Inc. "But that's not what constitutes network growth." True growth, she said, is a function of switch volume and cardholder base.

Bank Network News, in its 1990 "EFT Network Data Book," said the top 100 shared networks switch more than 220 million transactions a month – 25% more than in 1988. In addition, all electronic funds transfers in the United States – including all shared and proprietary, ATM and point-of-sale debit systems – grew 15% in 1989. That is the highest growth percentage since 1984, when volume was up 30%, the newsletter said.

But industry insiders say they are not expecting to maintain that kind of growth rate indefinitely.

"There is going to be a ceiling," said Stephen S. Cole, president of Cash Station Inc., a Chicago-based ATM network. "Networks like ourselves are now looking at whether or not we should be something more than an ATM network. Should we be positioning ourselves as a consumer payments system?"

Cash Station saw its switch volume grow 63% in 1989 – a growth rate second only to Mac's. The Illinois network switches 6.7 million transactions a month. According to Mr. Cole, more than 100 financial institutions joined Cash Station during the past two years. He attributed that growth to the system's merger with the Money Network, another Chicago-based EFT switch. ■

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COMMENT

Bracing for Another Decade of Change

By HENRY KAUFMAN
President, Henry Kaufman & Co.

WHAT developments are likely in our financial system, where so much has already transpired in the present decade? We have already been inundated with globalization, securitization, deregulation, and myriad new credit instruments.

Yet, additional far-reaching changes are likely in the 1990s. These will include the following:

• Remaining geographic and business-activity barriers will be removed early in the 1990s. Differences among types of financial institutions, with the exception perhaps of insurance companies, will vanish during the decade.

While there will remain a few prominent institutions – primarily regional in character – that will choose to specialize in traditional commercial or investment banking, by the end of the century the U.S. financial system will move decidedly toward the universal banking model.

• The number of all types of financial institutions will be drastically reduced in the next 10 years through successive waves of mergers and acquisitions. In this process, a number of major regional institutions will be constructed that will rival in size and prominence the largest money-center banks that now exist.

• The thrift industry debacle will turn out to be far more expensive and difficult to resolve than is now admitted. Its full impact on housing, on the restructuring of institutions, and on regulatory practices is still ahead.

> 'The thrift industry debacle will turn out to be far more expensive and difficult to resolve than is now admitted.'

In the first half of the 1990s, many traditional providers of mortgage financing will be permanently out of the market. Their role in providing credit to housing will have to be picked up by other lending institutions.

In dealing with ailing thrift institutions, the regulators will enforce stern limitations on their activities that will effectively immobilize them. The impact will be to create considerable uncertainties in the entire mortgage area, including the secondary markets in mortgage-related instruments.

• Because of the wide range of activities in which financial institutions will be involved, in terms of both lending and investments, the application of strict capital requirements will be more important for all of them. But effective risk oversight by supervisory bodies will, I believe, remain elusive.

• The progress toward harmonization of international regulatory procedures will be extended from banking to the securities and financial futures markets. But these efforts, for most of the decade, will run well behind events and the continued rapid evolution of market practices. The parallel movement toward consolidation in Europe, as part of the integration efforts in the European Community, will result in various forms of both formal and loose amalgamations of U.S. and European financial complexes.

• While some shifts in corporate financing patterns are likely, the outcome will still involve a further deterioration of credit quality. The shift from equity to debt financing will persist, and so will the shift to short- and medium-term financing.

Bankrolling the Mergers

The financing of mergers and acquisitions and leveraged buyouts will take a new turn. Instead of the plethora of new high-yield bond issues offered through the public market, much more financing will be consummated directly with major financial institutions such as banks and insurance companies.

These lenders will not be able to resist the high profit margins in these transactions, especially if they can participate in a bigger share of the equity base. And initiatives such as the new Rule 144A proposal tend to promote that relative shift toward private placements. Incidentally, the heavy debt positions of U.S. corporations will slow the much-needed corporate expansion in physical assets in the 1990s.

• The process of securitization of credit, which has been going on for some 15 years now, will reverse by the end of the 1990s. This is because of the interplay of two factors.

First, the consolidation of the financial system will create large financial organizations capable of offering financial services that will be competitive with capital market alternatives. Second, the erosion of credit quality, particularly in nonfinancial corporations, will leave them more dependent on bank financing. Incidentally, the securities firms, as we know them, will be squeezed by this reversal.

• U.S. government finance will undergo subtle changes. Conventional

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This commentary is excerpted from a Nov. 16 speech that Mr. Kaufman gave to the Money Marketeers of New York University in New York.

Crime Blotter

By TOM LEANDER

Keep Subpoenas Quiet, Bank Personnel Warned

The thrift-bailout law makes it a crime for bank employees to tell customers that their accounts have been subpoenaed by a grand jury, warns Charles M. Carbury, former chief of the securities and commodities fraud unit at the Justice Department.

Charles Carbury

Bank personnel were previously free to tell a customer that information had been subpoenaed, unless disclosure was blocked by a court order. In fact, such disclosure was previously considered a courtesy in many situations, according Mr. Carbury, a partner at Jones, Day, Reavis, and Pogue, New York.

Mr. Carbury warns that customer-service personnel unaware of the change may unwittingly violate the law.

• • •

Increase in ATM Security Found Since '87 Survey

Banks have boosted their ATM security measures in the past two years, according to a just-released American Bankers Association survey on ATM crime.

Ninety-three percent of the 873 banks in the 1989 survey had alarm systems in automated teller machines. In addition, 75% had surveillance cameras, and 70% had installed so-called secure enclosures – kiosks that customers unlock with bank cards.

Two years ago, when the ABA quizzed 961 banks on the same topic, the same percentage of the banks said they had ATM alarm systems. But only 51% had surveillance cameras and only 38% had secure enclosures.

• • •

Disarming Cashier Tames Desperate London Robber

A knife-wielding bank robber in London released 13 hostages and surrendered to police after a cool-headed bank cashier convinced him to give up.

The incident started when Wayne Hood, an unemployed mechanic from north London, walked into a branch of the National Westminster Bank and held up a teller.

But police surrounded the building after someone touched off a silent alarm. Mr. Hood forced 12 bank employees into an air-tight storeroom and began a three-hour standoff.

Helen Mudge, a 24-year-old cashier at the bank, was among the hostages. She convinced the thief to let the 12 other hostages go, then asked him to turn himself over to police, according to reports in the London *Daily Telegraph*.

Gang Uses U.S. Banks For Foreign Fraud

Three U.S. banks reportedly were unwitting parties to a $360 million foreign exchange scam uncovered earlier this month in Brazil.

The scam, used repeatedly to pyramid higher and higher profits, worked like this:

In Brazil, a dummy company operated by the ring obtained an import permit from the government bureau of foreign trade. Meanwhile, another phony company operated by the ring in the United States had phony invoices and bills of lading sent to a Brazilian bank by unwitting American banks.

The dummy Brazilian company paid for the bogus exports in Brazilian cruzados. The Brazilian bank converted them to dollars at a special exchange rate allowed for authorized importers, which is about half the market rate.

After the Brazilian bank sent the dollars to the dummy U.S. company, the funds were transferred back to Brazil. Ring members sold the money on the Brazilian black market at a rate considerably above the market rate.

Brazilian authorities say Manufacturers Hanover Trust Co., Bank of New England, and First New York Bank for Business were among the U.S. banks that were unwitting parties to the scam. A Manufacturers official declined comment; officials from Bank of New England and First New York could not be reached. ■

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Top Banks in Total Correspondent Balances

Banks with demand deposits due all banks of $25 million or more on June 30, 1989 (dollar figures in thousands)

Rank 6/89		Demand Deposits Due to All Banks 6/30/89	6/30/88	Rank 6/30/88	Gain in Rank	Time and Savings Deposits Due to All Banks 6/30/89	6/30/88
1	Citibank NA, New York	2,255,713	3,010,000	1		49,000	183,000
2	Bankers Trust Co., New York	2,229,875	2,606,220	3	+1	573,928	590,441
3	Chase Manhattan Bank NA, New York	1,923,616	2,697,287	2		178,263	95,646
4	Manufacturers Hanover Trust Co., New York	1,689,421	2,250,892	4		314,119	326,787
5	Bank of America NT&SA, San Francisco	1,410,025	1,212,552	6	+1	87,246	372,660
6	Irving Trust Co., New York (a)	1,161,691	1,839,691	5		79,673	150,826
7	Morgan Guaranty Trust Co., New York	1,043,490	1,118,706	7		494,316	224,525
8	Security Pacific National Bank, Los Angeles	935,328	852,237†	9	+1	6,947	22,048†
9	Philadelphia National Bank	671,020	670,857	14	+5	64,242	166,508
10	First Interstate Bank of California, Los Angeles	644,797	814,291	10		12,580	22,722
11	First National Bank of Chicago	630,514	746,522	11		411,734	226,646
12	Union Bank, San Francisco (b)	614,664	79,068	95	+ 83	8,981	0
13	NCNB Texas National Bank, Dallas (c)	613,379	509,126	16	+3	209,250	496,194
14	Chemical Bank, New York	510,000	744,000	12		113,000	363,000
15	Harris Trust & Savings Bank, Chicago	489,660	456,173	17	+2	2,242	3,241
16	National Bank of Detroit	396,884	510,640	15		202,268	204,942
17	Continental Bank NA, Chicago	383,967	455,881	18	+1	233,983	459,370
18	First National Bank, Boston	382,625	370,821	20	+2	112,694	24,707
19	Marine Midland Bank NA, Buffalo, N.Y.	365,685	341,972	22	+3	493,181	144,740
20	Mellon Bank NA, Pittsburgh	365,020	426,242	19		67,542	254,178
21	Boatmen's National Bank, St. Louis, Mo.	353,362	213,658	38	+ 17	282,130	57,097
22	First National Bank of Atlanta	343,335	232,837	36	+ 14	31,968	35,146
23	Brown Brothers Harriman & Co., New York	290,134	312,074	23		21,286	14,815
24	First Tennessee Bank NA, Memphis	269,161	290,772	26	+2	0	0
25	Connecticut National Bank, Hartford	266,973	305,731	24		4,992	805
26	Wells Fargo Bank NA, San Francisco	253,124	248,078	30	+4	4,338	5,842
27	Southeast Bank NA, Miami	249,341	246,175	31	+4	999	13,796
28	First Wisconsin National Bank, Milwaukee	245,112	223,530	37	+9	66,445	71,261
29	First Pennsylvania Bank NA, Philadelphia	236,451	134,023	61	+ 32	28,950	33,700
30	Community Bank, Pasadena, Calif.	232,548	267,256	28		3,900	8,265
31	INB National Bank, Indianapolis	223,442	242,419	33	+2	179,214	155,215
32	First National Bank of Commerce, New Orleans	218,736	183,205	43	+ 11	2,275	3,348
33	Bank of California NA, San Francisco	216,477	175,016	44	+ 11	128,085	5,288
34	First Bank NA, Minneapolis	212,741	236,422	35	+1	57,320	169,464
35	United Bank of Denver NA	211,428	239,766	34		158,728	217,309
36	American National Bank & Trust Co., Chicago	210,597	250,139	29		11,250	0
37	Bank of New York	209,455	254,009‡	28‡		2,400	1,100
38	National Westminster Bank USA, New York	206,063	170,780	46	+8	39,995	115,142
39	Northern Trust Co., Chicago	205,320	304,249	25		15,728	13,748
40	Crestar Bank, Richmond	192,823	165,416	47	+7	102,710	265,810
41	Texas Commerce Bank-Dallas NA	187,319	268,237	27		6,041	5,934
42	Norwest Bank Minneapolis NA	184,601	187,166	42		9,706	7,053
43	First Fidelity Bank NA, Newark, N.J.	182,651	125,396	66	+ 23	9,557	18,163
44	Barnett Bank of Jacksonville NA, Fla.	180,880	133,295	62	+ 18	0	0
45	Boatmen's First National Bank, Kansas City, Mo.	178,232	174,383	45		7,139	37,920
46	NCNB National Bank of Florida NA, Tampa	176,398	193,617	41		0	0
47	Bank of New England NA, Boston	169,781	146,006	58	+ 11	103,159	155,571
48	Texas Commerce Bank NA, Houston	168,909	211,780	39		1,155	3,210
49	Mellon Bank (East), Philadelphia	168,044	149,134	54	+5	71,151	79,569
50	Valley National Bank, Phoenix, Ariz.	161,406	196,306	40		571	2,990
51	Trust Company Bank, Atlanta	158,748	147,800	56	+5	3,495	7,168
52	Bank One, Texas, NA, Dallas (d)	157,652	346,422	21		444,789	589,286
53	Nationar, New York (e)	152,401	132,762	63	+ 10	791	1,128
54	Citizens & Southern National Bank, Atlanta	147,596	146,011	57	+3	37,022	294,564
55	First Florida Bank NA, Tampa	145,004	108,502	73	+ 18	0	0
56	Seattle-First National Bank	140,496	96,499	80	+ 24	6,820	18,341
57	Maryland National Bank, Baltimore	136,445	134,789	60	+3	690	0
58	Merchants National Bank & Trust Co., Indianapolis	135,618	111,286	70	+ 12	6,718	11,387
59	U.S. Bank of Washington NA, Seattle	135,434	58,218	123	+ 64	3,920	2,102
60	Sovran Bank NA, Richmond	133,737	87,247	89	+ 29	71,073	116,487
61	Pittsburgh National Bank	133,310	120,546	68	+7	313,392	159,936
62	Shawmut Bank NA, Boston	132,878	121,777	67	+5	0	700
63	Wachovia Bank & Trust Co. NA, Winston-Salem, N.C.	132,513	152,104	53		15,756	27,904
64	SouthTrust Bank of Alabama NA, Birmingham	130,348	98,475	78	+ 14	11,735	21,194
65	Provident National Bank, Philadelphia	130,165	147,949	55		130,874	142,081
66	Citizens Fidelity Bank & Trust Co., Louisville, Ky.	129,528	162,041	49		26,600	287,810
67	United Missouri Bank of Kansas City NA	126,901	152,898	52		119,470	25,767
68	Liberty National Bank & Trust Co., Louisville, Ky.	126,484	164,768	48		20,970	19,684
69	Sumitomo Trust & Banking Co. USA, New York	120,067	41,928	160	+ 91	33,649	34,795
70	Old Kent Bank & Trust Co., Grand Rapids, Mich.	116,953	26,373	234	+164	25,000	0
71	First City, Texas-Houston NA	116,499	142,361	59		409,411	631,929
72	Sun Bank NA, Orlando, Fla.	115,787	95,018	81	+9	0	0
73	Riggs National Bank, Washington, D.C.	115,022	111,113	71		6,533	30,173
74	Mercantile Bank NA, St. Louis, Mo.	114,716	102,567	76	+2	50,627	87,635
75	Commerce Bank of Kansas City NA, Mo.	112,806	131,082	65		7,404	9,483
76	City National Bank, Beverly Hills, Calif.	111,948	69,411	103	+ 27	11,020	1,800
77	Mitsui Manufacturers Bank, Los Angeles	106,400	156,588	50		2,905	8,149
78	Connecticut Bank & Trust Co. NA, Hartford	106,342	96,702	79	+1	16,316	8,092
79	Bank One Milwaukee NA, Wis.	105,943	94,474	83	+4	64,605	92,250
80	First National Bank, Louisville, Ky.	104,739	108,628	72		27,242	20,596
81	Frost National Bank, San Antonio, Tex.	102,548	88,907	87	+6	0	0
82	Colorado National Bank, Denver	100,672	82,886	92	+ 10	46,208	16,003
83	Bank One Indianapolis NA	99,390	94,963	82		85,840	44,562
84	Barnett Bank of South Florida NA, Miami	98,081	90,503	86	+2	0	0
85	Midlantic National Bank, Newark, N.J.	93,106	45,066	151	+ 66	35	27
86	First Interstate Bank of Texas NA, Houston	92,358	105,086	74		15,197	54,927
87	First City, Texas-Dallas	90,485	78,520	96	+9	54,684	70,074
88	M&I Marshall & Ilsley Bank, Milwaukee, Wis.	89,748	156,252	51		0	0
89	Dominion Bank NA, Roanoke, Va.	87,649	58,490	121	+ 32	1,480	8,193
90	Bank South NA, Atlanta	87,546	85,553	90		15,107	21,448
91	Manufacturers National Bank, Detroit	83,272	66,333	109	+ 18	56,254	68,957
92	Security Pacific Bank Washington, Seattle	83,214	82,005	93	+1	9,487	13,613
93	National City Bank, Cleveland	82,347	63,405	114	+ 21	4,296	5,682
94	Midlantic National Bank/North, West Paterson, N.J.	82,121	67,551	105	+ 11	0	0
95	Fidelity Bank NA, Philadelphia	81,997	132,584	64		82,322	1,823
96	Fifth Third Bank, Cincinnati	81,289	60,768	116	+ 20	12,699	15,222
97	South Carolina National Bank, Columbia	77,176	79,393	94		0	16,920
98	State Street Bank & Trust Co., Boston	77,063	57,918	126	+ 28	75,114	15,178
99	Star Bank NA, Cincinnati	76,591	66,365	108	+9	171,130	33,770
100	Bank One Columbus NA, Ohio	75,852	28,922	220	+120	195,558	18,000

Data Source: American Banker questionnaire. Data for all FDIC-insured banks were checked against the Federal Regulatory Report of Condition. For non-reporting banks, data were provided by **ADP Data Services Division, New York,** from their "Bancall" data base. **Total correspondent balances** is the sum of domestic correspondent balances and foreign correspondent balances. **Domestic correspondent balances** are domestically-booked demand deposits due to other depository institutions in the U.S. (thrift institutions) plus domestically-booked demand deposits due to other commercial banks in the U.S. **Foreign correspondent balances** are domestically-booked demand deposits due other banks in foreign countries; domestically-booked demand deposits due foreign government and official institutions; and clearing balances in the bank's domestic Edge bank subsidiaries. **Edge Bank clearing balances** are the sum of transaction accounts due foreign government and official institutions; transaction accounts due commercial banks in the U.S.; and transaction accounts due banks in foreign countries. For non-reporting banks, Edge data were provided by the Federal Reserve Board, Washington D.C. **Time and savings deposits due to all banks** are nontransaction accounts due all domestic and foreign banks, as defined above. **(a)**— Merged into Bank of New York on 10/6/89. **(b)**— On 10/31/88, California First Bank merged Union Bank, Los Angeles and changed title. Data for 6/30/88 are for California First Bank. **(c)**— The bank was created on 7/30/88 by the FDIC when 40 bank subsidiaries of the former First RepublicBank Corp. were merged into one institution. Data for 6/30/88 are for First RepublicBank Dallas NA. **(d)**— The bank— formerly known as Deposit Insurance Bridge Bank NA— was formed by the FDIC on 3/29/89 through the merger of 20 former MCorp banks taken over by the FDIC. The bank assumed its current title on 7/5/89. Data for 6/30/88 are for MBank Dallas NA. **(e)**— Formerly known as Savings Banks Trust Co. **(††)**— Revised to include Edge bank data. **(‡)**— Revised for reporting error by bank.

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NOTE

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